



MBA RECRUITMENT

Problem:

Unlike the most successful large companies, the Department of Defense had no formal mechanism for recruiting recent Master of Business Administration (MBA) graduates from top-tier U.S. business schools. This issue was viewed by some senior leaders in the Department as an acute problem, particularly for an organization tasked with developing a high-performance, results-oriented and responsive civilian workforce in an environment challenged by early retirement eligibilities and attractive private sector opportunities. It was recognized that without an active program for recruitment of graduates from top-tier business schools, the Department would miss an opportunity to infuse the organization's civilian management structure with future leaders who are well-educated in world-class management techniques.

Response:

The Defense Business Board was formally tasked by the Under Secretary of Defense (Comptroller) in January, 2003, with the job of recommending the design and implementation of a program for recruiting and retaining top-tier MBA graduates for the Department of Defense. The program was to rely on private sector best practices for such recruitment, but be executed through an actionable program tailored to the Department's needs.

In developing its recommendations, the Task Group was briefed on existing hiring practices for professionals within the Department, and developed a summary of existing governmental hiring authorities. The Group compiled a benchmark of top-tier MBA recruitment, hiring and career development practices at leading companies (McKinsey & Co., General Electric Company, Bear Stearns, Goldman Sachs, and the Boston Consulting Group).

Recommendations:

The Board recommended the creation of a Defense Business Fellows Program for the purpose of hiring up to 20 recent MBA graduates annually from top-tier U.S. business schools. The program, designed within the confines of existing federal authority, but requiring an Executive Order, mirrors many of the best practices employed by private industry to recruit and retain top MBA talent. Specific details of the program may be found in the DBB Report FY03-2 available at www.dod.mil/dbb. Key elements include:

- Active involvement of senior DoD officials in on-campus recruiting at select graduate MBA schools.
- Paid summer internships for prospective Fellows between first and second year of business school.
- Two-year Defense Business Fellows Program with starting salary of \$70,000.
- Two rotational assignments during the program with substantial job responsibility and field exposure.
- Selection for permanent employment at conclusion of 2nd year of Fellowship.

Action:

In April of 2003 the recommendations were endorsed by the Senior Executive Council, and in May, the Deputy Secretary of Defense tasked the Under Secretary of Defense (Personnel and Readiness) with the responsibility for implementing the program. It is expected that the first MBA graduates to enter the program will be from the Class of 2004.